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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[OMB Control Number 1010-0114; Docket ID: BOEM-2017-0016]

Agency Information Collection Activities; 30 CFR 550, Subpart A, General, and Subpart K, Oil and Gas Production Requirements in the Outer Continental Shelf

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Ocean Energy Management (BOEM) is proposing to renew an information collection request (ICR) with revisions.

DATES: Interested persons are invited to submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Send your comments on this ICR by mail to the BOEM Information Collection Clearance Officer, Anna Atkinson, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, Virginia 20166; or by email to anna.atkinson@boem.gov. Please reference OMB Control Number 1010-0114 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Anna Atkinson by email, or by telephone at 703-787-1025.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, BOEM provides the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of

information. This helps BOEM assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

BOEM is soliciting comments on the proposed ICR described below. We are especially interested in public comment addressing the following issues: (1) is the collection necessary to the proper functions of BOEM; (2) what can BOEM do to ensure that this information be processed and used in a timely manner; (3) is the burden estimate accurate; (4) how might BOEM enhance the quality, utility, and clarity of the information to be collected; and (5) how might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

Comments submitted in response to this notice are a matter of public record. BOEM will include or summarize each comment in our request to the Office of Management and Budget (OMB) for approval of this ICR. You should be aware that your entire comment—including your address, phone number, email address, or other personally identifiable information—may be made publicly available at any time. In order for BOEM to withhold from disclosure your personally identifiable information, you must identify any information contained in the submittal of your comments that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must also briefly describe any possible harmful consequences of the disclosure of information, such as embarrassment, injury, or other harm. While you can ask us in your comment to withhold your personally identifiable information from public review, we

cannot guarantee that we will be able to do so.

BOEM protects proprietary information in accordance with the Freedom of Information Act (5 U.S.C. § 552) and the Department of the Interior's implementing regulations (43 CFR part 2), and under applicable sections of 30 CFR parts 550 and 552 promulgated pursuant to Outer Continental Shelf Lands Act (OCSLA) at 43 U.S.C. 1352(c).

Abstract: This ICR addresses regulations at 30 CFR 550 Subparts A and K, which deal with regulatory requirements of oil, gas, and sulphur operations on the OCS. This request also covers the related Notice to Lessees and Operators (NTLs) that BOEM issues to clarify and provide guidance on some aspects of our regulations, and forms BOEM-0127, BOEM-0140, BOEM-1123, and BOEM-1832.

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations in the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition. Section 1332(6) states that "operations in the [Outer] Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and techniques sufficient to prevent or minimize...loss of well control...physical obstructions to other

users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health.”

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and the Office of Management and Budget Circular A-25, authorize Federal agencies to recover the full cost of services that provide special benefits. Under the Department of the Interior’s (DOI) implementing policy, BOEM is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Approval of transfer of a lease or interest are subject to cost recovery, and BOEM regulations specify the filing fee for these transfer applications.

BOEM uses the information collected under these regulations to ensure that operations in the OCS are carried out in a safe and environmentally sound manner, do not interfere with the rights of other users in the OCS, and balance the protection and development of OCS resources. Specifically, BOEM uses the information collected to:

- Determine the capability of a well to produce oil or gas in paying quantities or to determine the possible need for additional wells resulting in minimum royalty status on a lease.
- Provide lessees/operators greater flexibility to comply with regulatory requirements through approval of alternative equipment or procedures and departures if they demonstrate equal or better compliance with the appropriate performance standards.
- Ensure that subsurface storage of natural gas does not unduly interfere with

development and production operations under existing leases.

- Determine if an application for right-of-use and easement complies with the OCS Lands Act, other applicable laws, and BOEM regulations; and does not unreasonably interfere with the operations of any other lessee.
- Provide for orderly development of oil and gas resources while protecting the environment.
- Determine the appropriateness of disqualification of a lessee/operator based on performance.
- Approve requests to cancel leases and ascertain if/when the Secretary may cancel leases.
- Ensure the protection of any discovered archaeological resources.
- Form BOEM-0127, Sensitive Reservoir Information Report, is used to regulate production rates from sensitive reservoirs. BOEM engineers and geologists use the information for rate control and reservoir studies. The form requests general information about the reservoir and the company, volumetric data, and fluid analysis and production data.
- Form BOEM-0140, Bottomhole Pressure Survey Report, is used to manage reservoirs in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Government's royalty interest. The form requests information about the well and operator; test data information such as shut-in time, bottomhole temperature, kelly bushing elevation; and bottomhole pressure points that consist of measured depth(s), true vertical depth(s), pressure(s), and pressure gradient(s).

- Form BOEM-1123, Designation of Operator, records the designation of an operator authorized to act on behalf of the lessee/operating rights owner and to fulfill their obligations under the OCS Lands Act and implementing regulations, or to record the local agent empowered to receive notices and comply with regulatory orders issued. This form requires the respondent to submit general information such as lease number, name, address, company number of designated operator, and signature of the authorized representative of the lessee.
- Form BOEM-1832, Notification of Incidents of Non-Compliance (INC), is used to determine that respondents have corrected any Incidents of Non-Compliance identified during compliance reviews. The BOEM issues this form to the operator and the operator then corrects the INC(s), signs and returns the form to BOEM.

BOEM protects proprietary information in accordance with the Freedom of Information Act (5 U.S.C. § 552) and the Department of the Interior's implementing regulations (43 CFR part 2), and under applicable sections of 30 CFR parts 550 and 552 promulgated pursuant to Outer Continental Shelf Lands Act (OCSLA) at 43 U.S.C. 1352(c).

Title of Collection: 30 CFR 550, Subpart A, General, and Subpart K, Oil and Gas Production.

OMB Control Number: 1010-0114.

Form Number:

- BOEM-0127, Sensitive Reservoir Information Report;
- BOEM-0140, Bottomhole Pressure Survey Report;
- BOEM-1123, Designation of Operator; and

- BOEM-1832, Notification of Incident(s) of Noncompliance.

Type of Review: Revision of a currently approved collection.

Respondents/Affected Public: Oil and gas and sulphur lessees/operators.

Total Estimated Number of Annual Responses: 5,302 responses.

Total Estimated Number of Annual Burden Hours: 18,323 hours.

Respondent's Obligation: Mandatory.

Frequency of Collection: On occasion, monthly.

Total Estimated Annual Non-hour Burden Cost: \$165,492.

Estimated Reporting and Recordkeeping Hour Burden: The current annual burden hours for this collection are 30,635 hours. BOEM proposes to reduce annual burden hours to 18,323 hours, which is a decrease of 12,312 annual burden hours. The annual burden hour reduction is related to adjustments in 30 CFR 550 subpart K.

- For 30 CFR 550.1153, the regions re-evaluated the annual burden hours for static bottomhole pressure surveys. The average hour burden based on industry feedback is 15 hours instead of 14 hours. Also, BOEM on average reviews approximately 400 Bottomhole Pressure Surveys per year instead of 1,161 surveys. The 2017 OMB approved annual burden hours included 3 years of data instead of annual data. Therefore, BOEM is reducing the number of respondents to correct this error. The annual burden hours for 30 CFR 55.1153 is decreasing from 16,254 hours to 6,000 hours (-10,254 hours).
- For 30 CFR 550.1153(d), BOEM is increasing the hour burden from 1 to 5 based on industry feedback. BOEM is currently reviewing fewer departures annually than previously recorded (decreasing number of departures from 200 to 100).

With the increase in hour burdens and the decrease in respondents, the overall annual burden hour for 30 CFR 550.1153(d) will increase to 500 hours (+300 hours).

- For 30 CFR 550.1154 and 550.1167, BOEM is changing the hour burden from 1 to 5 hours based on industry feedback. However, the number of respondents is dropping by 2/3rds (from 15 requests to 5 requests). Therefore, the annual burden hour change will increase slightly to from 15 hours to 25 hours (+10 hours).
- For 30 CFR 550.1155, based on outreach input, BOEM is increasing the hour burden for form BOEM-0127 from 3 hours to 6 hours. However, BOEM previously overestimated the number of forms submitted. BOEM is reducing the number of forms collected from 2,012 to 610 forms; therefore, the overall annual burden hours will decrease from 6,036 hours to 3,660 hours (-2,376 hours).
- For 30 CFR 550.1153-1167, BOEM is increasing the respondents from 2 to 10 requests. With changes in technology, operators are installing permanent downhole gauges in wells. These gauges show continuous readings of the downhole pressure. Operators are submitting this type of data, as alternative compliance, to meet the bottomhole pressure requirement, so BOEM has seen a slight increase in respondents. The increase in respondents has caused the annual burden hours to increase from 2 to 10 hours (+8 hours).

The following table details the individual components and respective hour burden estimates of this ICR.

BURDEN BREAKDOWN

| Citation 30 CFR 550 Subpart A and Related Forms/NTLs | Reporting or Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|--|--|---------------------------|
| | | Non-Hour Cost Burdens | | |
| Authority and Definition of Terms | | | | |
| 104; 181; Form BOEM-1832 | Appeal orders or decisions; appeal INCs; request hearing due to cancellation of lease. | Exempt under 5 CFR 1320.4(a)(2), (c). | | 0 |
| Performance Standards | | | | |
| 115; 116 | Request determination of well producibility; make available or submit data and information; notify BOEM of test. | 5 | 90 responses | 450 |
| 119 | Apply for subsurface storage of gas; sign storage agreement. | 10 | 3 applications | 30 |
| Subtotal | | | 93 responses | 480 hours |
| Cost Recovery Fees | | | | |
| 125; 126; 140 | Cost Recovery Fees; confirmation receipt etc.; verbal approvals and written request to follow. Includes request for refunds. | Cost Recovery Fees and related items are covered individually throughout this subpart. | | 0 |
| Designation of Operator | | | | |
| 143 | Report change of name, address, etc. | Not considered information collection under 5 CFR 1320.3(h)(1). | | 0 |
| 143(a-c); 144; Form BOEM-1123 | Submit designation of operator (Form BOEM-1123 – form takes 30 minutes); report updates; notice of termination; submit designation of agent. Request exception. NO FEE | 1 | 2,584 forms | 2,584 |
| 143(a-d); 144; Form BOEM-1123 | Change designation of operator (Form BOEM-1123 – form takes 30 minutes); report updates; notice of termination; submit designation of agent; include pay.gov confirmation receipt. Request exception. SERVICE FEE | 1 | 930 forms | 930 |
| | | \$175 fee x 930 = \$162,750 | | |
| 186(a)(3) | Apply for user account in TIMS (electronic/digital form submittals). | Not considered information collection under 5 CFR 1320.3(h)(1). | | 0 |
| Subtotal | | | 3,514 responses | 3,514 hours |
| | | | \$162,750 non-hour cost burden | |
| Compliance | | | | |
| 101; 135; 136; Form BOEM-1832 | Submit response and required information for INC, probation, or revocation of operating status. Notify when violations corrected. | 2 | 94 submissions | 188 |
| | Request waiver of 14-day response time or reconsideration. | 1 | 1 | 1 |
| 135; 136 | Request reimbursement for services provided to BOEM representatives during reviews; comment. | 1.5 | 2 requests | 3 |
| Subtotal | | | 97 responses | 192 hours |
| Special Types of Approval | | | | |

| Citation 30 CFR 550 Subpart A and Related Forms/NTLs | Reporting or Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|---|--|---------------------------|
| | | Non-Hour Cost Burdens | | |
| 125(c); 140 | Request various oral approvals not specifically covered elsewhere in regulatory requirements. | 1 | 100 requests | 100 |
| 141; 101-199 | Request approval to use new or alternative procedures; submit required information. | 20 | 100 requests | 2,000 |
| 142; 101-199 | Request approval of departure from operating requirements not specifically covered elsewhere in regulatory requirements; submit required information. | 2.5 | 100 requests | 250 |
| Subtotal | | | 300 responses | 2,350 hours |
| Right-of-use and Easement | | | | |
| 160; 161; 123 | OCS lessees: Apply for new or modified right-of-use and easement to construct and maintain off-lease platforms, artificial islands, and installations and other devices; include notifications and submitting required information. | 9 | 26 applications | 234 |
| 160(c) | Establish a Company File for qualification; submit updated information, submit qualifications for lessee/bidder, request exception. | Burden covered under 30 CFR 556 (1010-0006). | | 0 |
| 160; 165; 123 | State lessees: Apply for new or modified right-of-use and easement to construct and maintain off-lease platforms, artificial islands, and installations and other devices; include pay.gov confirmation and notifications. | 5 | 1 application | 5 |
| | | \$2,742 state lease fee x 1 = \$2,742 | | |
| 166 | State lessees: Furnish surety bond; additional security if required. | Burden covered under 30 CFR 556 (1010-0006). | | 0 |
| Subtotal | | | 27 responses | 239 hours |
| | | | \$2,742 non-hour cost burden | |
| Primary Lease Requirements, Lease Term Extensions, and Lease Cancellations | | | | |
| 181(d); 182(b), 183(a)(b) | Request termination of suspension, cancellation of lease, lesser lease term (no requests in recent years for termination/cancellation of a lease; minimal burden). | 20 | 1 request | 20 |
| 182; 183, 185; 194 | Various references to submitting new, revised, or modified exploration plan, development/production plan, or development operations coordination document, and related surveys/reports. | Burden covered under 30 CFR 550, Subpart B (1010-0151). | | 0 |
| 184 | Request compensation for lease cancellation mandated by the OCS Lands Act (no qualified lease cancellations in many years; minimal burden). | 50 | 1 request | 50 |
| Subtotal | | | 2 responses | 70 hours |
| Information and Reporting Requirements | | | | |
| 186(a) | Apply to receive administrative entitlements to eWell/TIMS system for electronic submissions. | Not considered IC under 5 CFR 1320.3(h)(1). | | 0 |
| 186; NTL 2015-N01 | Submit information, reports, and copies as BOEM requires (as related to worst case discharge and blowout scenarios). | 10 | 125 | 1,250 |
| 135; 136 | Report apparent violations or non-compliance. | 1.5 | 2 reports | 3 |

| Citation 30 CFR 550 Subpart A and Related Forms/NTLs | Reporting or Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|--|--|---------------------------|
| | | Non-Hour Cost Burdens | | |
| 194; NTL 2011-JOINT- G01 | Report archaeological discoveries. Submit archaeological and follow-up reports and additional information. | 2 | 6 reports | 12 |
| 194; NTL 2011-JOINT- G01 | Request departures from conducting archaeological resources surveys and/or submitting reports in GOMR. | 1 | 2 requests | 2 |
| 194 | Submit ancillary surveys/investigations reports, as required. | Burden covered under 30 CFR 550 Subpart B (1010-0151). | | 0 |
| 196 | Submit data/information for G&G activity and request reimbursement. | Burden covered under 30 CFR 551 (1010-0048). | | 0 |
| 197(b)(2) | Demonstrate release of G&G data would unduly damage competitive position. | 1 | 1 | 1 |
| 197(c) | Submit confidentiality agreement. | 1 | 1 | 1 |
| Subtotal | | | 137 responses | 1,269 hours |
| Recordkeeping | | | | |
| 135; 136 | During reviews, make records available as requested by inspectors. | 2 | 7 reviews | 14 |
| Subtotal | | | 7 responses | 14 hours |
| Citation 30 CFR 550 Subpart K and Related Forms | Well Surveys and Classifying Reservoirs | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
| 1153 | Conduct static bottomhole pressure survey; submit Form BOEM-0140 (Bottomhole Pressure Survey Report). | 15 | 400 surveys | 6,000 |
| 1153(d) | Submit justification, information, and Form BOEM-0140, to request a departure from requirement to run a static bottomhole pressure survey. | 5 | 100 survey departures | 500 |
| 1154; 1167 | Submit request and supporting information to reclassify reservoir. | 5 | 5 requests | 25 |
| 1155; 1165(b); 1166; 1167 | Submit Form BOEM-0127 (Sensitive Reservoir Information Report) and supporting information/revisions (within 45 days after the beginning of production, discovering that the reservoir is sensitive, the reservoir is classified as sensitive, or when reservoir parameters are revised. SRI's must be submitted annually). AK Region: submit BOEM-0127 and request MER. | 6 | 610 forms | 3,660 |
| 1153-1167 | Request general departure or alternative compliance requests not specifically covered elsewhere in regulatory requirements. | 1 | 10 | 10 |
| 1165 | Submit proposed plan for enhanced recovery operations to BSEE. | Burden covered under BSEE 30 CFR 250 (1014-0019). | | 0 |
| Subtotal | | | 1,125 responses | 10,195 hours |
| TOTAL BURDEN | | | 5,302 Responses | 18,323 Hours |

| Citation 30 CFR 550 Subpart A and Related Forms/NTLs | Reporting or Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|------------------------------------|--|---------------------------|
| | | Non-Hour Cost Burdens | | |
| | | \$165,492 Non-Hour Cost Burdens | | |

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501 *et seq.*).

Deanna Meyer-Pietruszka,
Chief, Office of Policy, Regulation, and Analysis.
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